

| Aviation Parts Supply 12 Month Projection INCOME STATEMENT | 253 2007 Actual | Month 1 Proj | Month 2 Proj | Month 3 Proj | Month 4 Proj | Month 5 Proj | Month 6 Proj | Month 7 Proj | Month 8 Proj | Month 9 Proj | Month 10 Proj | Month 11 Proj | Month 12 Proj | Year 1 Proj |
|--|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|----------------|
| Net Sales | \$ 31,140,082 | \$ 948,750 | \$ 993,000 | \$ 1,044,625 | \$ 1,022,500 | \$ 1,059,375 | \$ 1,125,750 | \$ 1,258,500 | \$ 1,288,000 | \$ 1,376,500 | \$ 1,494,500 | \$ 1,509,250 | \$ 1,509,250 | \$ 14,630,004 |
| Cost of Goods Sold: | | | | | | | | | | | | | | |
| Inventory Cost of Sales | 23,392,001 | 584,906 | 611,901 | 643,396 | 629,898 | 652,395 | 692,888 | 773,875 | 791,872 | 845,863 | 917,852 | 926,850 | 926,850 | 8,998,546 |
| Gross Margin | 7,748,081 | 363,845 | 381,099 | 401,229 | 392,602 | 406,981 | 432,862 | 484,625 | 496,128 | 530,637 | 576,649 | 582,400 | 582,400 | 5,631,458 |
| Gross Margin % | 24.88% | 38.35% | 38.38% | 38.41% | 38.40% | 38.42% | 38.45% | 38.51% | 38.52% | 38.55% | 38.58% | 38.59% | 38.59% | 38.49% |
| Scrap Inventory | 248,831 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 24,000 |
| QA Inspection | 68,306 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 36,000 |
| Inventory Adjustments | 65,916 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 50,000 |
| Other Cost of Sales | 146,895 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 12,000 |
| Total Cost of Goods Sold | 23,921,949 | 595,072 | 622,068 | 653,563 | 640,065 | 662,561 | 703,055 | 784,042 | 802,039 | 856,030 | 928,018 | 937,017 | 937,017 | 9,120,546 |
| Gross Profit | 7,218,133 | 353,678 | 370,932 | 391,063 | 382,435 | 396,814 | 422,696 | 474,459 | 485,962 | 520,470 | 566,482 | 572,233 | 572,233 | 5,509,458 |
| Gross Profit % | 23.18% | 37.28% | 37.35% | 37.44% | 37.40% | 37.46% | 37.55% | 37.70% | 37.73% | 37.81% | 37.90% | 37.92% | 37.92% | 37.66% |
| Operating Expenses: | | | | | | | | | | | | | | |
| Personnel | 3,461,713 | 127,342 | 117,569 | 122,063 | 121,698 | 116,846 | 126,550 | 125,930 | 114,600 | 123,381 | 122,826 | 117,689 | 122,463 | 1,458,958 |
| Supplies & Services | 3,113,857 | 68,321 | 69,342 | 70,534 | 70,023 | 70,875 | 72,407 | 75,472 | 76,153 | 79,196 | 80,920 | 81,261 | 81,261 | 895,766 |
| Fixed | 591,573 | 20,583 | 20,583 | 20,583 | 20,583 | 20,583 | 20,583 | 20,583 | 20,583 | 20,583 | 20,583 | 20,583 | 20,583 | 247,000 |
| Warranty & Contingency | 4,260,934 | 76,460 | 76,682 | 76,940 | 76,829 | 77,014 | 77,345 | 78,009 | 78,157 | 78,599 | 79,189 | 79,263 | 79,263 | 933,750 |
| Total | 11,428,078 | 292,707 | 284,177 | 290,120 | 289,134 | 285,317 | 296,886 | 299,995 | 289,493 | 301,760 | 303,519 | 298,796 | 303,570 | 3,535,474 |
| EBITDA | (4,209,945) | 60,971 | 86,756 | 100,942 | 93,301 | 111,497 | 125,810 | 174,464 | 196,469 | 218,710 | 262,963 | 273,437 | 268,663 | 1,973,984 |
| EBITDA % | -13.52% | 6.43% | 8.74% | 9.66% | 9.12% | 10.52% | 11.18% | 13.86% | 15.25% | 15.89% | 17.60% | 18.12% | 17.80% | 13.49% |
| Insurance-Product Liability Premium | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Insurance - Product Liability SIR Accrual | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| EBITDA | (4,209,945) | 60,971 | 86,756 | 100,942 | 93,301 | 111,497 | 125,810 | 174,464 | 196,469 | 218,710 | 262,963 | 273,437 | 268,663 | 1,973,984 |
| EBITDA % | -13.52% | 6.43% | 8.74% | 9.66% | 9.12% | 10.52% | 11.18% | 13.86% | 15.25% | 15.89% | 17.60% | 18.12% | 17.80% | 13.49% |
| Amortization | 314,381 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation | 523,170 | 21,667 | 21,667 | 24,167 | 24,167 | 24,167 | 25,583 | 25,583 | 25,583 | 25,583 | 25,583 | 25,583 | 25,583 | 266,417 |
| Other (Income)/Expense | (20,480) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3PL transition costs | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Management Fees | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash Interest | 588,056 | 33,333 | 33,333 | 33,333 | 33,333 | 33,333 | 33,333 | 33,333 | 33,333 | 33,333 | 33,333 | 33,333 | 33,333 | 400,000 |
| Non-cash RSTW interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Other Expenses | 1,405,126 | 55,000 | 55,000 | 57,500 | 57,500 | 57,500 | 58,917 | 58,917 | 58,917 | 58,917 | 58,917 | 58,917 | 58,917 | 666,417 |
| EARNINGS BEFORE TAXES | (5,615,071) | 5,971 | 31,756 | 43,442 | 35,801 | 53,997 | 66,893 | 115,548 | 137,552 | 159,794 | 204,046 | 214,521 | 209,747 | 1,307,567 |
| Income Taxes | 20,000 | 2,389 | 12,702 | 17,377 | 14,321 | 21,599 | 26,757 | 46,219 | 55,021 | 63,917 | 81,619 | 85,808 | 83,899 | 523,027 |
| Net Income | (5,635,071) | 3,583 | 19,054 | 26,065 | 21,481 | 32,398 | 40,136 | 69,329 | 82,531 | 95,876 | 122,428 | 128,712 | 125,848 | 784,540 |



| Aviation Parts Supply 12 Month Projection Balance Sheet | 2007 Actual | Month 1 Proj | Month 2 Proj | Month 3 Proj | Month 4 Proj | Month 5 Proj | Month 6 Proj | Month 7 Proj | Month 8 Proj | Month 9 Proj | Month 10 Proj | Month 11 Proj | Month 12 Proj | Year 1 Proj |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Current Assets: | | | | | | | | | | | | | | |
| Cash | \$ 500 | \$500 | \$55,667 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 | \$500 |
| Accounts Receivable, Net | - | 1,843,501 | 1,456,313 | 1,528,219 | 1,550,344 | 1,561,407 | 1,638,844 | 1,788,188 | 1,909,876 | 1,998,376 | 2,153,251 | 2,252,813 | 2,263,876 | 2,263,876 |
| Other Receivables | - | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Inventory, Net | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| Prepaid Expenses | - | 200,351 | 123,390 | 46,429 | 178,923 | 101,961 | 25,000 | 243,209 | 166,248 | 89,286 | 221,780 | 144,819 | 67,858 | 67,858 |
| Deferred Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Current Assets | 5,000,500 | 7,054,352 | 6,645,370 | 6,585,148 | 6,739,767 | 6,673,868 | 6,674,344 | 7,041,897 | 7,086,623 | 7,098,162 | 7,385,531 | 7,408,132 | 7,342,233 | 7,342,233 |
| Fixed Assets | 1,000,000 | 1,190,000 | 1,200,000 | 1,350,000 | 1,360,000 | 1,370,000 | 1,455,000 | 1,465,000 | 1,475,000 | 1,485,000 | 1,495,000 | 1,505,000 | 1,515,000 | 1,515,000 |
| Accumulated Depreciation | - | (146,667) | (168,333) | (192,500) | (216,667) | (240,833) | (266,417) | (292,000) | (317,583) | (343,167) | (368,750) | (394,333) | (419,917) | (419,917) |
| Total Fixed Assets | 1,000,000 | 1,043,333 | 1,031,667 | 1,157,500 | 1,143,333 | 1,129,167 | 1,188,583 | 1,173,000 | 1,157,417 | 1,141,833 | 1,126,250 | 1,110,667 | 1,095,083 | 1,095,083 |
| NC Deferred Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Intangible Assets: (Net) | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Financing Costs | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Engine Manuals | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| PMA'S | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Assets | \$ 6,000,500 | \$ 8,097,685 | \$ 7,677,037 | \$ 7,742,648 | \$ 7,883,100 | \$ 7,803,035 | \$ 7,862,928 | \$ 8,214,897 | \$ 8,244,040 | \$ 8,239,995 | \$ 8,511,781 | \$ 8,518,799 | \$ 8,437,316 | \$ 8,437,316 |
| Current Liabilities: | | | | | | | | | | | | | | |
| Accounts Payable | - | \$ 786,111 | \$ 818,798 | \$ 856,933 | \$ 840,589 | \$ 867,828 | \$ 916,858 | \$ 1,014,919 | \$ 1,036,710 | \$ 1,103,250 | \$ 1,189,248 | \$ 1,200,143 | \$ 1,200,143 | \$ 1,200,143 |
| Accrued Expenses | - | 145,917 | 161,333 | 176,750 | 192,167 | 207,583 | 223,000 | 238,417 | 253,833 | 269,250 | 284,667 | 300,083 | 315,500 | 315,500 |
| Product Liability SIR Accrual | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Accrued Warranty | - | 11,818 | 13,072 | 14,390 | 15,681 | 17,018 | 18,438 | 20,023 | 21,646 | 23,379 | 25,259 | 27,158 | 29,058 | 29,058 |
| Income Taxes Payable | - | 2,389 | 15,091 | 32,468 | 46,788 | 68,387 | 95,144 | 141,363 | 196,384 | 260,301 | 341,920 | 427,728 | 511,627 | 511,627 |
| Subordinated Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Accrued Interest | - | 33,333 | 66,667 | - | 33,333 | 66,667 | - | - | - | - | - | - | - | - |
| Total Current Liabilities | - | 979,568 | 1,074,961 | 1,080,541 | 1,128,559 | 1,227,483 | 1,253,440 | 1,414,722 | 1,508,573 | 1,656,180 | 1,841,094 | 1,955,113 | 2,056,328 | 2,056,328 |
| Long Term Debt: | | | | | | | | | | | | | | |
| Working Capital Revolver | - | 2,114,534 | 1,579,439 | 1,613,406 | 1,684,359 | 1,472,971 | 1,466,771 | 1,588,130 | 1,440,891 | 1,193,363 | 1,157,807 | 922,093 | 613,548 | 613,548 |
| Additional Debt Required | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Subordinated Debt | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| Total LTD | 5,000,000 | 7,114,534 | 6,579,439 | 6,613,406 | 6,684,359 | 6,472,971 | 6,466,771 | 6,588,130 | 6,440,891 | 6,193,363 | 6,157,807 | 5,922,093 | 5,613,548 | 5,613,548 |
| Stockholder's Equity: | | | | | | | | | | | | | | |
| Preferred Stock | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Common Stock | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Additional Capital | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Retained Earnings - Prior Years | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Retained Earnings - Current Year | - | 3,583 | 22,636 | 48,702 | 70,182 | 102,580 | 142,716 | 212,045 | 294,576 | 390,452 | 512,880 | 641,592 | 767,440 | 767,440 |
| Total Stockholder's Equity | - | 3,583 | 22,636 | 48,702 | 70,182 | 102,580 | 142,716 | 212,045 | 294,576 | 390,452 | 512,880 | 641,592 | 767,440 | 767,440 |
| Total Liabilities & Equity | 5,000,001 | \$8,097,685 | \$7,677,037 | \$7,742,648 | \$7,883,100 | \$7,803,035 | \$7,862,928 | \$8,214,897 | \$8,244,040 | \$8,239,995 | \$8,511,781 | \$8,518,799 | \$8,437,316 | \$8,437,316 |

| Aviation Parts Supply 12 Month Projection Cash Flow Statement | 2007 Actual | Month 1 Proj | Month 2 Proj | Month 3 Proj | Month 4 Proj | Month 5 Proj | Month 6 Proj | Month 7 Proj | Month 8 Proj | Month 9 Proj | Month 10 Proj | Month 11 Proj | Month 12 Proj | Year 1 Proj |
|---|------------------|------------------|------------------|------------------|-----------------|------------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Cash Flow From Operations: | | | | | | | | | | | | | | |
| Net Income | \$ (5,635,071) | \$ 3,583 | \$ 19,054 | \$ 26,065 | \$ 21,481 | \$ 32,398 | \$ 40,136 | \$ 69,329 | \$ 82,531 | \$ 95,876 | \$ 122,428 | \$ 128,712 | \$ 125,848 | \$ 767,440 |
| Amortization | 314,381 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation | 523,170 | 21,667 | 21,667 | 24,167 | 24,167 | 24,167 | 25,583 | 25,583 | 25,583 | 25,583 | 25,583 | 25,583 | 25,583 | 294,917 |
| Deferred Tax Provision | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Changes in Operating Assets & Liab.: | | | | | | | | | | | | | | |
| Accounts Receivable, Net | - | 420,375 | 387,188 | (71,906) | (22,125) | (11,063) | (77,438) | (149,344) | (121,688) | (88,500) | (154,875) | (99,563) | (11,063) | - |
| Other Receivables | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventories, Net | (173,907) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Prepaid Expenses | 3,093 | (132,494) | 76,961 | 76,961 | (132,494) | 76,961 | 76,961 | (218,209) | 76,961 | 76,961 | (132,494) | 76,961 | 76,961 | - |
| Accounts Payable | 4,743,791 | (414,032) | 32,687 | 38,135 | (16,343) | 27,239 | 49,030 | 98,060 | 21,791 | 66,540 | 85,998 | 10,896 | - | - |
| Accrued Warranty | 804,218 | 1,198 | 1,254 | 1,318 | 1,291 | 1,337 | 1,420 | 1,586 | 1,623 | 1,733 | 1,881 | 1,899 | 1,899 | 18,438 |
| Deferred Tax Assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Income Taxes Payable | 20,000 | (379,042) | 12,702 | 17,377 | 14,321 | 21,599 | 26,757 | 46,219 | 55,021 | 63,917 | 81,619 | 85,808 | 83,899 | 130,196 |
| Product Liability SIR Accrual | 520,886 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Accrued Expenses | 68,217 | 48,750 | 48,750 | (51,250) | 48,750 | 48,750 | (51,250) | 15,417 | 15,417 | 15,417 | 15,417 | 15,417 | 15,417 | 185,000 |
| Net Cash from Operations | 1,188,778 | (429,995) | 600,262 | 60,867 | (60,953) | 221,388 | 91,200 | (111,359) | 157,239 | 257,528 | 45,556 | 245,714 | 318,545 | 1,395,991 |
| Investing Activities: | | | | | | | | | | | | | | |
| Purchase of Fixed Assets | (578,286) | (50,000) | (10,000) | (150,000) | (10,000) | (10,000) | (85,000) | (10,000) | (10,000) | (10,000) | (10,000) | (10,000) | (10,000) | (375,000) |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Engine Manuals | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Cash for Investing Activities | (578,286) | (50,000) | (10,000) | (150,000) | (10,000) | (10,000) | (85,000) | (10,000) | (10,000) | (10,000) | (10,000) | (10,000) | (10,000) | (375,000) |
| Free Cash Flow | 610,492 | (479,995) | 590,262 | (89,133) | (70,953) | 211,388 | 6,200 | (121,359) | 147,239 | 247,528 | 35,556 | 235,714 | 308,545 | 1,020,991 |
| Financing Activities: | | | | | | | | | | | | | | |
| Proceeds (Payment) on Revolver | - | 1,121,819 | (535,095) | 33,966 | 70,953 | (211,388) | (6,200) | 121,359 | (147,239) | (247,528) | (35,556) | (235,714) | (308,545) | (379,167) |
| Proceeds (Payment) on ADR | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds (Payment) on RSTW Sub Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Debt Issuance Costs | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Issuance of Common Stock | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Cash for Financing Activities | - | 1,121,819 | (535,095) | 33,966 | 70,953 | (211,388) | (6,200) | 121,359 | (147,239) | (247,528) | (35,556) | (235,714) | (308,545) | (379,167) |
| Net Change in Cash | 610,492 | 641,824 | 55,167 | (55,167) | - | - | (0) | (0) | 0 | (0) | (0) | 0 | 0 | 641,824 |